

*Inside This Special Report...*

# “How To Stop Wasting Money On Rent And Own Your Home Instead!”

*Stop Making Your Landlord Rich And Build Your Financial Future!*

Dear Potential Homebuyer,

Are you tired of making your landlord wealthy? If you are paying rent every month, *that is exactly what you are doing!*

## **Enough Already!!**

Buying a home today is easier than ever before. Many people who thought that buying a home was simply out of their reach are now enjoying a new lifestyle in their very own home!

That's right, no more rent, and the benefits of home ownership like equity build-up and tax advantages. For most homeowners, buying a home is the smartest financial decision that they ever made.

In fact, many homeowners would face financial hardship come retirement if it weren't for one saving grace - the equity in their home.

Real estate values have risen steadily over the last 40 years. Of course, sometimes there are peaks and valleys, but in the long term the trend is a consistent increase.

This means that every month when you make a payment, the amount that you owe on the home goes down. PLUS, since values typically increase, it is worth a little bit more every month too! This 'worth more--owe less' situation is called equity build-up.

Equity is simply the difference between how much the home is worth and how much you owe on it. For example, if your home is worth \$150,000 and you owe \$110,000, the equity is \$40,000.

And I haven't even touched on the intense pride you'll feel when you pull into the driveway of you own home. No more answering to a landlord for you!

***It is easier than you may think!***

Compliments of Kerrie Jean, Sales Representative, Keller Williams Energy Real Estate Brokerage  
360 King Street West • Oshawa • ON • Ph: 905.723.5944 • Fax: 905.576.2253  
Email: feel@homewithkerrie.ca • Web: <http://www.homewithkerrie.ca>

\*not intended to solicit buyers or sellers currently under contract

There are lots of ways to buy a home, and often for the same or less than you are paying in rent.

Even if you have little money for a down payment or credit problems, chances are that you can still buy a home! It just comes down to knowing the right strategies, and working with the right people.

More on this later. For now, let's look at some of the general things you'll need to know about buying a home. This is important because once you discover that you can indeed buy a home, you need to understand the process.

Approached properly, buying a home can be a fulfilling experience.

Unfortunately, for many people, buying a home ends up being anything but enjoyable. For many, it turns into a terrible, stressful ordeal. In addition, making the wrong decisions can end up costing you thousands of dollars!

*It doesn't have to be this way!*

The key to avoiding the pitfalls and traps that plague many home buyers comes down to one thing:

## **KNOWLEDGE!!**

Buying a home is a fairly complicated undertaking, but if you're armed with the proper knowledge and have a solid plan, it can be a whole lot easier. It all starts with understanding the home buying process, how the “*system*” works, and what can happen to the typical unprepared homebuyer.

Let's back up for a moment and say that the first step is to determine if buying a home is even in your best interests. Most of the time, buying a home is one of the smartest financial decisions that a person can make. *But not always!*

In meeting with lots of people over the years, we've learned that only after examining your overall financial picture can you discover if buying a home is the right thing for you to do.

There are lots of factors to consider, such as the effect that buying a house will have on your long and short-term goals. We have seen situations where buying a house was not in the person's best interest at that time.

Compliments of Kerrie Jean, Sales Representative, Keller Williams Energy Real Estate Brokerage  
360 King Street West • Oshawa • ON • Ph: 905.723.5944 • Fax: 905.576.2253  
Email: feel@homewithkerrie.ca • Web: <http://www.homewithkerrie.ca>

Once you are sure that buying a home is the smart choice for you, it's time to get busy.

**BUT WAIT A MINUTE!!**

This does not mean jumping in your car and tearing down the street to find your dream home.

Not so fast!

Taking the time to do things right will save you many hours of frustration and thousands of dollars. What happens if you take off on a journey without having a map or plan - not knowing where you're going?

That's right... **YOU GET LOST!!**

Same thing when buying a home. Except that the thing that gets lost is not you, it's thousands of your hard-earned dollars!

The purpose of this report is to make you aware of the common mistakes that homebuyers fall into, and how to avoid them! Having the right information leads to making smart decisions.

It doesn't matter if this is your first home or if you've bought a dozen before. No matter what, it makes sense to be armed with the facts!

Buying a home is like going out into a bad neighbourhood at night – there is trouble lurking around every corner, and you can quickly become a victim if you're not prepared.

I'm not kidding! A lot more money is lost due to bad decisions in the home buying process than in the average mugging. Only when you buy a home, the “muggers” are nicely dressed, and are smiling and shaking your hand instead of pointing a knife or gun at you!

There is an old saying, and although things have changed a lot from the old days of the traveling salesmen, it still applies today when you enter the home buying game:

## **BUYER BEWARE!**

I'm not saying that everyone involved in the real estate industry is a crook – not at all. I'm just saying that there are people out there that are only too happy to take your money if you are not savvy enough to ask the right questions or make the right choices.

Compliments of Kerrie Jean, Sales Representative, Keller Williams Energy Real Estate Brokerage  
360 King Street West • Oshawa • ON • Ph: 905.723.5944 • Fax: 905.576.2253  
Email: feel@homewithkerrie.ca • Web: <http://www.homewithkerrie.ca>

It's not that there is a lack of information out there about buying a home; it's just that some of it can be a bit misleading. Ask the same question from two different so-called “experts” and you'll get two different answers ... and possibly a bunch of technical mumbo-jumbo that you don't even understand!

The sad truth is that the structure of the home buying game is not always set up in the buyer's favour. If you are not careful, you may be snared by a big financial trap.

Buying a home is a huge investment. You simply can't afford to “roll the dice” and *hope* that you come out a winner.

The implications of a bad decision can be amplified over many years, easily costing you tens of thousands of dollars... or even more!

The number one mistake made by homebuyers that causes them to make bad decisions and waste thousands of dollars is not having an organized plan.

The number two mistake is almost as bad.

The mistake is *letting their emotions get out of control!*

Of course it is impossible to completely remove all of your emotion, after all, if you didn't have some emotion you wouldn't want to buy a home in the first place.

The key is to remember that you are entering into a complex business deal, one that can affect your financial situation for years to come. Just try to keep as focused as possible on the dollars and cents, and don't allow yourself to “get caught up in the moment”, and make foolish decisions that you will regret later.

As I mentioned before, having a step-by-step plan will make the entire process much easier to handle. Here is the basic 9-step home buying plan that has saved thousands of dollars for many people like yourself:

**Step 1** - Determine if buying a home now is smart for you.

**Step 2** - Get pre-approved for your loan.

**Step 3** - Study the real estate market.

**Step 4** - Identify neighbourhoods you like.

**Step 5** - View specific homes.

Compliments of Kerrie Jean, Sales Representative, Keller Williams Energy Real Estate Brokerage  
360 King Street West • Oshawa • ON • Ph: 905.723.5944 • Fax: 905.576.2253  
Email: feel@homewithkerrie.ca • Web: <http://www.homewithkerrie.ca>

**Step 6** - Pick a home that meets your needs.

**Step 7** - Analyze the value.

**Step 8** - Negotiate the contract.

**Step 9** - Close and move.

Once you have examined your personal financial situation and given yourself the green light to buy a home, the next step is to get pre-approved for a mortgage.

Getting pre-approved is smart for two main reasons:

1. You'll have less stress and more confidence while home shopping because you'll know exactly what you can afford.
2. You'll have better negotiating strength with the seller when you can show them a pre-approval letter from the lender.

Yes, getting pre-approved is smart and it is the first step that you should take once you decide to buy a home. *But hold your horses!* There is a lot that you should know before you rush down to your local bank.

I am going to spend a bit of time discussing financing, because that is where the major share of mistakes are made. *Mistakes that can end up costing you \$10,000 to \$30,000 or even more!*

In the real estate game, the field of financing is covered with hurdles and quicksand. In no other part of the process can you loose so much money... *and not even know it!*

I've been talking about how having a plan will allow you to keep on track to get where you are going. In the area of financing, having a plan is critical!

**If you don't have a plan of your own, you will fall into someone else's plan!**

Like the Boy Scout motto says, BE PREPARED.

The first thing that will happen when you go in for a mortgage loan appointment is you will be hit with lots of questions.

*Where do you work?*

*How long have you been there?*

*Are you self-employed?*

*How much do you make?*

*How much cash do you have in the bank?*

*How is your credit rating?*

*Can I see your last two years income tax returns?*

*How much will you be putting as a down payment?*

*Will you be using funds from RRSP's to help finance your home?*

*Do you want a fixed or variable rate?*

*What about amortization period?*

*Do you want a short-term or long-term mortgage?*

And that's just a sample! Do you see why you will need to do a little homework and have your plan in order before you step into the jungle – *oops, I mean* loan office?

I am NOT saying that most mortgage companies are full of crooks, liars, and cheats. Many are really excellent at what they do. It's just that if you don't know what *you want*, the loan company will put you into what *they want* for you... which may not be in line with your goals.

There are no hard and fast rules to answer all of the many questions you'll be faced with. That's because everyone's situation is unique! What's best for you will probably be different than the family down the street.

The only way to know for sure what is in your best interests is to take a good look at your overall financial picture and your goals for the future.

Compliments of Kerrie Jean, Sales Representative, Keller Williams Energy Real Estate Brokerage  
360 King Street West • Oshawa • ON • Ph: 905.723.5944 • Fax: 905.576.2253  
Email: feel@homewithkerrie.ca • Web: <http://www.homewithkerrie.ca>

There are several questions that you need to ask the loan agent before you decide to do business with them.

1. **Are you funding the loan with your own funds or “brokering” it?**
2. **Exactly what fees will you be charging me?**
3. **Who makes the final approval decision?**
4. **When can I expect an answer?**
5. **Given my goals, what loan program do you recommend and why?**

Shop around and talk to several different lenders. Take notes and compare what each has to offer. Costs can vary substantially from one lender to another ... so do your homework!

### ***FINDING YOUR NEW HOME***

Once you thoroughly understand financing and have been pre-approved by the bank for your loan, it's time to do the legwork necessary to find your home and get the best possible price on it.

First, identify neighbourhoods that you like and that are in your price range. If you have lived in your area for a while, you may already have some in mind.

Think about what you really want in a house. Are you looking for a big yard, or something with less maintenance? A new home, or a place more mature and established? One story or two? Condominium, townhouse, semi-detached?

Also decide how many bedrooms and baths you need, along with items such as a den, garage space, fireplace, swimming pool, etc.

Hopefully, you'll be able to find what you want and stay in your price range. If not, you may need to adjust either what you want or your budget.

While you are looking, keep one thing in mind:

### **THERE IS NO SUCH THING AS THE “*PERFECT*” HOME!**

You certainly want to make sure that the home that you buy meets your needs, but you will drive yourself crazy if you go through dozens and dozens of homes searching for the “*perfect*” home.

Make a list that includes your price range, all the items you must have in your home, along with the items you don't want. Take it with you whenever you look at homes, so you don't get sidetracked.

You will want to thoroughly research the values in your area. You need to know what people are asking for their homes, and most importantly, what they are selling for. You want to be on the lookout for and avoid areas that are experiencing depreciation in value.

The services of a good real estate agent can be quite valuable during this stage. They can pull up all of this information in minutes by pushing a few buttons on their computer.

Once you have a home that you are interested in, you need to find out more information. There are several questions that you get answers to before you start any negotiations. You need to know as much as possible about the seller's position and motivation.

**1. Why are you selling?**

The answer to this question will tell you a lot about the seller. Everyone selling their home has a reason. The seller may have been transferred, bought another home, be going through a divorce, or need the cash to pay off debts. All of these things can be to your advantage when negotiating! Keep in mind that because it's an advantage to YOU, the seller may not be so forthcoming with the reason (and they are not obligated to be either!)

**2. How long has the home been on the market?**

If the home has been on the market for many months, you need to find out why. Is it simply because they are asking too much for it, or are there much deeper problems? Also, the seller may be more anxious to sell as the months go by – a big plus for you.

**3. Are you offering any special financing or assistance?**

The seller may have an assumable loan, or be willing to finance the purchase and carry the mortgage themselves (known as a “seller take back mortgage.”)

**4. Are there any repairs you were planning on doing?**

The answers to this question can give you valuable insight as to how the home has been maintained, and also give you some negotiating leverage.

When you have answers to these questions, you will have a good feel for the seller's situation and the house itself. You'll be in a position to decide if you want to move forward with the house or not.



## **CONTRACT AND NEGOTIATION**

If everything looks good, you may want to proceed in the process. The next step is to write up an offer to purchase. *You will most likely be dealing with the listing agent at this point, and we could write an entire book on the rules surrounding ‘Agency’, and who represents the buyer and seller, however, for the purposes of this report, we will assume that you are being provided ‘customer service’ by the listing agent, and not client representation.*

This is where the information you learned from questioning the seller can be quite useful. For example, if the seller has been transferred to another city, they may be very motivated to sell.

There are many different strategies for negotiating, but the one that we have seen produce the best results is not all that difficult. It starts by studying the market data to determine what the fair market value is for the house.

Your objective is to make your offer at a price that is lower than what the seller has in their mind as their “bottom line”, but is close enough that they say, “Oh, I guess we will go ahead and take it”.

Keep in mind the three basic options that a seller has when presented with an offer:

1. Accept the offer.
2. Reject the offer.
3. Make a counter offer.

The seller will always want to accept the offer if possible, because if they sign it, they will have a deal that the buyer is bound to. If they make a counter offer, the buyer is “off the hook”, and is no longer obligated contractually.

The price is always the focal point of the offer, but there are lots of additional areas that you need to address and pay close attention to also. In your offer, be as specific as possible about every aspect of the transaction. Details that are not clear or are left out can lead to big problems down the road.

Some of the items that you want to be sure to spell out in detail when putting together your offer include:

- PRICE
- DOWN PAYMENT
- EARNEST MONEY (or “GOOD FAITH”) DEPOSIT
- HOW ARE YOU PAYING FOR THE HOME? (ie: MORTGAGE OR CASH)
- INTEREST RATES
- CLOSING / POSSESSION DATES
- CLOSING COSTS – WHO PAYS WHAT?
- HOME INSURANCE
- HOME INSPECTIONS – WHAT TYPE AND WHO PAYS?
- ITEMS INCLUDED (WASHER/DRYER, REFRIGERATOR, ETC)
- TITLE / LAWYERS
- CONDITIONS OF OFFER – WHAT AND HOW LONG?

Spelling out every detail can save lots of confusion and misunderstandings, and keep you out of a costly court battle!

One area where you need to be especially careful is ‘conditions.’ These are things that must or must not happen in order for the transaction to be valid.

For example, the offer and purchase may be conditional upon you getting approved for your financing, on getting a favorable inspection report, or many other things. Make sure to spell out the condition clearly, as well as what specifically will happen if the condition is or isn't met.

The important thing is to keep your goals in mind throughout your negotiations. This will guide you, and help keep you from making bad decisions based on emotion.

Keep one important fact in mind: There is always another house!

If you start to feel pressured or uncomfortable, step back and review your goals. Don't let yourself be bullied around. *Remember that the seller usually needs to sell that house a lot more than you need to buy it!*

## ***CLOSING AND MOVING***

After all of the terms and conditions of the contract have been mutually agreed upon by both you and the seller, you still need to stay on your toes. Many people tend to relax and end up dropping the ball. There are at least a hundred things that can go wrong and foul up the sale.

Stay in contact with all parties involved in the transaction – mortgage company, real estate agent, lawyer, appraiser, inspector, etc.

You will want to make sure that all of the terms of the contract have been met, and do a “walk-through” inspection of the home prior to closing.

All of your preparation and planning will pay off handsomely when you move into your new home!

## ***SO WHERE DO WE GO FROM HERE?***

The only way to properly create your own home buying plan is to examine your personal financial situation AND your goals for the future. The next step is entirely up to you, but if you are serious about buying a home and avoiding the mistakes that can cost you thousands of dollars, here’s what I recommend.

In about a half-hour, I can determine what the best course of action is for you to take.

**There Will Be No Obligation, No Pressure, And No Tricks...**

***Just solid, helpful, useful information!***

After we meet and you are armed with the all of the facts, you will be prepared to make your decision about how you want to proceed.

You’ve probably figured out that I am not your average real estate sales representative. I concentrate on providing quality information to those who need it.

***“But why would you just give away all of this valuable information?”***

I know that you may be asking that question in your mind. I know it may seem a little bit odd. It’s just that I have learned that good things come when you concentrate on *really helping people*.

Yes, I make my living selling real estate, and yes, I would love to handle your purchase.

**BUT ONLY IF THAT'S WHAT YOU DECIDE TO DO AFTER YOU HAVE ALL OF THE INFORMATION TO MAKE AN INFORMED DECISION!**

In less than an hour you'll have all of the facts and information you need to make smart decisions for your future. We will discuss your situation, and look at the different options that you have.

Well, there is not much more for me to say. The next step is up to you. As I said before, there is absolutely no cost or obligation attached to your free consultation.

Pick up the phone and call me now while you are thinking about it. I know that you may be a little skeptical, but one phone call isn't much to risk, especially when you could save yourself lots of aggravation and thousands of dollars!

You can reach me directly at (905) 743-5664.

I look forward to hearing from you,

*Kerrie*

P.S. Procrastination keeps more people from ever reaching their dreams than anything else. Don't miss out on information that can make all the difference.

Compliments of Kerrie Jean, Sales Representative, Keller Williams Energy Real Estate Brokerage  
360 King Street West • Oshawa • ON • Ph: 905.723.5944 • Fax: 905.576.2253  
Email: feel@homewithkerrie.ca • Web: <http://www.homewithkerrie.ca>